Why the Postal Appropriation Bill Failed—An Attempt at Railroad Confiscation

New York, March 17, 1915

To the Railroads Carrying the United States Mail and the Parcel Post:

The Senate of the United States acted most wisely and justly in declining to pass the Post Office Appropriation Bill carrying Representative Moon's railway mail pay "rider," which provided a new system of rates on the so-called "space basis" of payment.

The stand of the Senate against this measure was simply a stand against an almost undisguised effort at confiscation, such as was never before attempted in the Congress of the United States.

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The enactment of the Moon "rider" would have clothed the Postmaster General with autocratic and unbridled power to reduce railway mail pay at will; to fix rates even lower than those which were called "absolutely confiscatory" by a Joint Committee of Congress; and finally, to compel the carriage of the mails and the parcel post, at such rates, by means of a new law that would fine any railroad company $5000 per day for a refusal to perform service on the terms and conditions named by the Postmaster General.

In his official capacity as Chairman of the House of Representatives Post Office Committee, Congressman Moon publicly said that the Post Office Department proposed to utilize this power by compelling the railroads to carry the parcel post for practically nothing, thus reducing their compensation $8,000,000 to $10,000,000 per year, and so averting an impending Post Office deficit.

The injustice of such a plan to saddle the postal deficit upon the railroads is emphasized by the fact that the Joint Committee of Congress, especially appointed to

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investigate the question of railway mail pay, reported only last Summer, after two years of study, that in all fairness the compensation of the railroads should be increased and not diminished.

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That the Post Office bill—the most important of all the appropriation measures, carrying $325,000,000—failed of passage, thus necessitating emergency legislation in the last moments of the session, is due solely to the refusal of Representative Moon and his associates to permit the withdrawal of the "rider" after it had become perfectly clear that the Senate would not be a party to confiscation.

In consequence of Chairman Moon's unyielding attitude, a situation has been created which has not been paralleled in a generation and which may unfortunately hamper the operations of the Post Office Department in the coming fiscal year.

Two Unwarranted Statements Answered

Since the failure of the postal appropriation bill and the adjournment of Congress, Chairman Moon has made two public assertions that should not go unanswered.

1. Chairman Moon is quoted in a newspaper interview as saying that it cost the Government $600,000 to obtain the information upon which his "rider" was based.

The facts are, as the Second Assistant Postmaster General, Mr. Joseph Stewart, testified under oath in the hearings before the Joint Congressional Committee on Railway Mail Pay, that the Post Office Department spent $19,423.20, out of an appropriation of $20,000, in obtaining the information referred to by Mr. Moon. In addition, the Congressional Committee, itself, spent $6560.50 out of an appropriation of $25,000.

Thus the total cost to the Government of this entire inquiry, of which the Moon "rider" was only one of several results, was $25,983.70, instead of $600,000, as Mr. Moon declared.

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The labor of compiling the information, as a matter of fact, fell almost entirely upon the railroads. The statistical and clerical work necessary to furnish the figures which the Post Office Department called for was enormous.

The expense to the railroads approximated a quarter of a million dollars, or about ten times what the inquiry cost the Government.

Mail and Express Earnings Compared

2. In his letter to Postmaster General Burleson, regarding the failure of the Post Office Appropriation bill, Chairman Moon said:

"The railroads are charging the Government twice as much as

they charge the express companies."

This extravagant and many-times refuted assertion was made in the face of the Joint Congressional Committee's authoritative finding on the subject.

The Committee, in its report to Congress, found that "the express service undoubtedly costs the railroads less than the mail per car mile," and that the complete evidence showed the mail earnings of the railroads to be "decidedly lower than from express on a car mile basis, which is the best basis for comparison we have."

The Committee said:

"We are compelled to reject the Post Office Department's attempt to show higher relative earnings from mail as reckless and misleading."

Later, the report added:

"Certainly there is no warrant in the oft-repeated assertion that the Government is being robbed in its mail payments by comparison with what the express companies pay. There has been an amazing amount of reckless assertion on this subject."

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It seems but just to say that the Joint Congressional Committee on Railway Mail Pay, throughout its entire inquiry, gave the railroads, as well as the Post Office Department, full and fair opportunity to be heard, and that the Senate Post Office Committee accorded the railroads an equally impartial hearing.

Hearing Denied by Moon Committee

The judicial attitude of these two committees stands out in sharp contrast to that of the House Post Office Committee, which, under the chairmanship of Representative Moon, refused to hear the railroads at all.

Chairman Moon's committee even tried to rush its measure through Congress before the Joint Congressional Committee had time to report.

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In the hearings before the Senate Post Office Committee ample proof was given that passage of the Moon bill would force all of the railroads to carry the mails at a heavy loss, and that in the case of some of the smaller roads it would mean financial ruin.

The public has given every indication that such an outcome would be received with anything but enthusiasm.

Press and Public Support Railroads

The press of the country has with practical unanimity advocated fair play for the railroads in the matter of compensation for carrying the mails, especially since the parcel post has so greatly increased their burdens.

The American people, it is quite evident, like to pay their just debts, and resent being shown how to repudiate them. This

sentiment has been reflected with remarkable clearness in the attitude of the newspapers toward the railway mail pay controversy.

Many Boards of Trade, Chambers of Commerce and other organizations of business men throughout the country have, after most careful study of the subject, condemned the Moon bill, or "rider," as unjust, arbitrary and confiscatory, and have urged Congress not only to reject that measure, but to take affirmative action toward remedying the long-standing underpayment of the railroads for carrying the mails and the parcel post.

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Despite the outcome of his recent efforts, resulting in the failure of the postal appropriation bill, Chairman Moon has announced that he intends to introduce his railway mail pay measure again, in the next Congress.

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We stand by our original recommendations, namely:

1. That the present law be retained, but reinforced by requiring an annual and simultaneous weighing of the mail on all railroads for a period of not less than 35 days, with readjustment of the pay accordingly.

2. That the apartment post office cars be paid for on a pro rata basis of the payments for the full post office cars.

3. That the Post Office Department be required to carry the mails between railroad stations and post offices—a service which is no part of the duty of railroad transportation.

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The Committee on Railway Mail Pay, therefore, asks all railroad officers to co-operate with it in bringing these views before the members of the next Congress, and others interested in fair dealing, to the end that a proper and permanent settlement of the question of railway mail pay may be obtained.

The Committee will continue its efforts to this end until the matter has been fairly adjusted.

COMMITTEE ON RAILWAY MAIL PAY

By RALPH PETERS, Chairman